

Session 14-11, a Regular Meeting of the Port and Harbor Advisory Commission was called to order by Chair Ulmer at 5:00 p.m. on December 17, 2014 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONER ULMER, CARROLL, HARTLEY, ULMER, ZIMMERMAN

ABSENT: HOWARD

STAFF: HARBORMASTER HAWKINS
DEPUTY CITY CLERK JACOBSEN

APPROVAL OF THE AGENDA

HARTLEY/ZIMMERMAN MOVED TO APPROVE THE AGENDA.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried

PUBLIC COMMENT REGARDING ITEMS ON THE AGENDA

Kevin Walker, non-resident, commented in support of maintaining open space on the spit. He is involved with several groups who rely on open space including Kachemak Bay Water Trail, Kachemak Drive Trail, and the Yacht Club. He acknowledged there is a parking problem on the spit, but encouraged that they look at other solutions like carpooling and public transportation.

Don Lane, city resident, thanked the Commission for time they commit to the meetings. He has listened to a lot of the discussion about rates and appreciates that the only increase for the upcoming year is the CPI increase. He thinks that is appropriate, he supports it, and it's predictable so it allows him to budget his funds more effectively.

RECONSIDERATION

APPROVAL OF MINUTES

A. October 22, 2014 Regular Meeting Minutes

ZIMMERMAN/DONICH MOVED TO APPROVE THE MINUTES.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS/PRESENTATIONS

- A. Presentation by Dave Brann, Parks & Recreation Advisory Commission Re: Preservation of Open Space Recreation on the Spit

Dave Brann, city resident and Parks and Recreation Advisory Commissioner, commented that part of the Parks and Recreations mission is to advocate for maintaining the open space that we have. When he saw the CIP project to expand parking by the Seafarer’s Memorial he started thinking about other ways to find those parking places. He recognizes this proposal is progressing and that there are parking issues out there, in moving forward he is hopeful that they can come up with creative ways to encourage people to park further from the core area and use the new trail or a shuttle system. He hopes they take can take into consideration the open spaces that are out there because it is part of what the spit is all about, along with the economic engine that the harbor is. He talked about the area across from the dredge spoils up to freight dock road and that it could accommodate about 60 or 70 angled parking spaces without needing many improvements.

He updated the Commission on efforts to get a picnic shelter near the fishing hole to replace the one that was removed from in front of Pier One. The Council allocated \$5,000 in the 2015 budget and he is working to raise funds as well. He talked about some options for building the shelter including working through the college or folk school to establish a woodworking class to build it and promote community involvement.

STAFF & COUNCIL REPORT/COMMITTEE REPORTS/ BOROUGH REPORTS

- A. Port and Harbor Director’s Report for November and December 2014

Harbormaster Hawkins reviewed his staff reports.

The group discussed the pending GFI compliance requirements that will take place in August 2015 and the possibility of having transformers available to rent.

PUBLIC HEARING

PENDING BUSINESS

- A. Harbor Rate Increase Proposals

There was no new information provided for the packet. The Commission recognized the 3% CPI increase that was added to next year’s moorage and noted their action to move away from the square foot method. They agreed to take this up again at the January meeting and to try to schedule an open house in February or March to get feedback from the vessel owners.

NEW BUSINESS

- A. Deep Water Dock Feasibility Study

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- i. Memo to Port & Harbor Commission from Bryan Hawkins, Port Director/Harbormaster
Re: Deep Water Dock Feasibility Study – Proposal Review Committee dated December
5, 2014

Harbormaster Hawkins advised that Commissioner Howard had expressed interest serving on the Deepwater Dock Feasibility Study Proposal Review Committee.

STOCKBURGER/DONICH MOVED THAT BOB HOWARD BE THE REPRESENTATIVE FROM THIS GROUP TO SIT ON THE COMMITTEE.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

Public Works Director Meyer gave the Commission and overview of the RFP schedule, funding, and cost.

B. Sales Tax & Fish Tax Allocation for Spit

Harbormaster Hawkins referenced the motion from the October 22 minutes.

CARROLL/DONICH – MOVED THAT 50% OF THE SALES TAX FROM BUSINESSES THAT ARE AROUND AND DEPEND ON THE HARBOR BE CREDITED TO THE PORT AND HARBOR RESERVE ACCOUNT.

Commissioner Carroll said in talking to the Borough it was confirmed that they can't breakout sales tax figures from a geographic location, only sales tax by city. He said it may come down to trying to estimate the sales tax in Homer that is connected to the boat harbor.

Commissioner Hartley offered that one way to look at it would be by comparing returns during summer months compared to the off season months over the past few years.

Commissioner Zimmerman suggested a port and harbor economic zone and based on addresses maybe the Borough could put something on their sales tax returns that says they are in the port and harbor economic zone and it could be differentiated fairly easily.

Harbormaster Hawkins recommended the Commission focus on the fish tax collected at the fish dock. It is the landing tax that the state collects and then distributes portions, 50% to the borough and 50% city where the fish is processed. The borough's 50% of the fish tax would be a significant contribution to the port and harbor reserves. He feels like requesting the boroughs portion of the fish tax is something that could be justified in that the tax is collected with the idea that it will be used to help communities that are impacted by the activity. The state collects and distributes cruise ship head tax similarly; our borough has decided in the past that their portion of the head tax should go to the city. He suggested they could make some headway by saying the same thing about the fish tax; it was

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collected here for a purpose here and should be sent back to here so we can use it for maintaining the facilities. He thinks it is a more attainable request than a percentage of sales tax.

The Commission continued to address ideas for estimating a percentage of sales tax that could come back to the harbor.

Commissioner Donich another thing to look at is when they did away with the \$500 sales tax cap on tourism related businesses; he thinks it was back 2008 or 2009. They are taxed on the entire amount of money they bring in.

They discussed scheduling a worksession to discuss sales tax and fish tax allocation.

CARROLL/DONICH MOVED TO HOLD A 3:00 WORKSESSION BEFORE THEIR JANUARY 28 MEETING.

They requested that our Borough representatives be invited to attend.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

- C. Seafarer's Memorial Parking Lot Improvements
 - i. Building Plans/Specs for Seafarer's Memorial New Parking Lot

Harbormaster Hawkins and Public Works Director Meyer reviewed the design plans and specifications that were prepared by Nelson Engineering for the parking area by the Seafarer's Memorial.

The plan takes the existing parking lot and reconfiguring the layout for better use of the space. They talked about paving and striping, utilizing dry wells for drainage, erosion control, and the proximity to the boardwalk.

- D. U.S. Coast Guard Lease for Lot 20 – Proposed Lease Amendments
 - i. Memo to Port & Harbor Commission from Bryan Hawkins, Port Director/Harbormaster
Re: USCG Lease Amendment Proposal for Lot 20 dated December 10, 2014

Harbormaster Hawkins reviewed the staff report. He explained that the normally the process would require that this go out for RPF at the end of the term, but the city has encouraged Coast Guard presence. The Lease Committee recommends extending the lease for an additional 20, one year renewal options.

There was discussion about the one year renewal options. Harbormaster Hawkins explained it is the way the Coast Guard structures their leases, and is how their current lease is now.

DONICH/STOCKBURGER MOVED TO GRANT THE COAST GUARD 20, ONE YEAR LEASE RENEWALS.

There was no further discussion.

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VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

E. Memorandum from Lease Committee Re: Pacific Star Seafoods

Harbormaster Hawkins reviewed the staff report. He explained the Lease Committee sees potential in working with Pacific Star Seafoods, but their proposal isn't in the long term interest of the city. They recommend the option of a guaranteed 5000 square feet area on lot 10 at a monthly billing charge at the current tariff land storage rate and would be subject to vacating the property should a lease proposal on lot 10 be accepted with another tenant.

ZIMMERMAN/DONICH MOVED THAT THE PORT AND HARBOR COMMISSION DOES NOT RECOMMEND PACIFIC STAR SEAFOODS PROPOSAL FOR A LEASE BUT THAT THEY ALLOW THEM TO RENT MONTH TO MONTH UNTIL THERE IS A BETTER USE FOR THE PROPERTY.

There was no further discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

F. Memorandum from Lease Committee Re: Petro Marine Lease Extension

Harbormaster Hawkins reviewed the staff report. The Lease Committee recommends renewing the Coal Point Terminal lease without competitive bidding, pursuant to the lease policy. The committee recommends the lease for the fuel float go out for RFP.

There was discussion regarding the RFP process and opening it up for proposals.

Pete LaPlante, plant manager, was given the opportunity to comment to the Commission that the current owners are in the process of transferring ownership of Petro Marine to their son who currently owns Shoreside. They are working toward combining so that Essential One and Petro cards will work interchangeably between the stations.

HARTLEY/DONICH MOVED TO SUPPORT THE RECOMMENDATIONS OF THE LEASE COMMITTEE.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

G. 2015 City Council Meeting Attendance

Commissioners reviewed the schedule and selected months to attend the City Council meetings. The schedule will be included as an informational item in the monthly meeting packets.

INFORMATIONAL ITEMS

- A. Monthly Statistical & Performance Report October & November, 2014
- B. Weekly Crane and Ice Report
- C. Deep Water Dock Report
- D. Pioneer Dock Report & Ferry Landings Report
- E. Water Usage Report
- F. Resolution 14-115 Amending Port of Homer Tariff #600
- G. Resolution 14-120(A) 2015 Council and Commission Regular Meeting Schedule
- H. Resolution 14-123 Supporting Full Funding for the State of Alaska Harbor Facility Grant Program in the FY 2016 State Capital Budget
- I. Resolution 14-124 Support of the Addition of Port and Harbor Employees to the List of Employees Covered by AS 12.55.135

COMMENTS OF THE AUDIENCE

Don Lane, city resident, commented regarding the deep water dock feasibility. He thinks one concept they didn't touch on was the strategic value of having more deep water facilities scattered around the coastline. If we can have another facility that is capable of handling heavy freight, there is a strategic value and public service to having more deep water docks. Regarding the Seafarers Memorial parking, he is having a hard time buying in to it because when the parking is really crowded that is the spot that is such a pinch point. By enhancing the parking in that area, he thinks it will add to the problem. He also likes the open area in that spot. He also thinks the pavement will buckle on the ocean side and create a maintenance problem. Lastly he supports the decision to RFP the fuel float lease because it is important to maintain competition.

Pete LaPlante explained circumstances relating to a circumstance to high diesel prices when Petro tried bringing in the ultra-low sulfur diesel before they had to, but due to the higher cost, it wasn't received as well as expected by the public. He and Harbormaster Hawkins discussed RFP information relating to the fuel float lease.

COMMENTS OF THE CITY STAFF

Harbormaster Hawkins thanked Commissioner Stockburger for his comments at the last Council meeting. He updated them on appropriations to add water lines on floats K through Q and on system four.

COMMENTS OF THE COUNCILMEMBER *(If one is assigned)*

COMMENTS OF THE CHAIR

COMMENTS OF THE COMMISSION

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Commissioner Stockburger had no comments.

Commissioner Hartley said it was a good meeting.

Commissioner Zimmerman asked if there was anything he should address with Council at the January meeting and it was suggested he could touch on the discussions regarding the sales tax.

Commissioner Donich said it was a good meeting and good to see things moving forward.

Commissioner Carroll said it was a good meeting.

ADJOURN

There being no further business to come before the Commission the meeting adjourned at 7:32 p.m. The next regular meeting is scheduled for Wednesday, January 28, 2015 at 5:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved: _____